



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: December 9, 2014

CM/ACM _____
Finance DN
DA n/a
Risk Mgt. n/a
HR n/a
Clerk n/a

DATE: December 1, 2014

TO: Board of County Commissioners

FROM: Paul McArthur, Comptroller
328-2563, pmcarthur@washoecounty.us

THROUGH: Joey Orduna Hastings, Assistant County Manager
328-2000, jhastings@washoecounty.us

SUBJECT: Recommendation to approve a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to general obligation (limited tax) building bonds (additionally secured by pledged revenues) series 2015 in the maximum principal amount of \$12,000,000 for the purpose of financing the building projects, including the Medical Examiner's building; providing the manner, form and contents of the notices thereof; providing other matters properly related thereto; and providing the effective date hereof. (All Commission Districts)

SUMMARY

The capital project to construct a new building for the Medical Examiner was included in the Capital Investment Plan at an estimated cost of \$10.9 million. It is recommended that general obligation (limited tax) building bonds (additionally secured by pledged revenues) be issued to finance the construction of the Medical Examiner building. Further, it is recommended that a not to exceed par amount of \$12,000,000 be authorized in order to maintain maximum flexibility should unexpected costs arise. The first step in order to accomplish this financing was to go before the Debt Management Commission, requesting that Commission convene to consider this request. The resolution also includes a "reimbursement resolution" component, which will allow the County to reimburse itself, from bond proceeds, for expenditures made on this project prior to the issuance of the bonds.

Washoe County Strategic Objective supported by this item: Sustainability of our financial, social and natural resources.

PREVIOUS ACTION

On December 11, 2001, the Board of County Commissioners accepted the Washoe County Facilities Masterplan which identified and established the need for additional space and adjacency needs as workloads increased.

On May 19, 2013, the BCC approved the Washoe County budget for fiscal year 2013/14 which included authorization for the design and property acquisition phase for this project in the amount of \$922,448.

On May 13, 2014, the Board of County Commissioners approved the 2015-2019 fiscal year capital improvement plan and on May 19, 2014, approved the 2014/2015 fiscal year budget, both of which included the Medical Examiner's building capital project estimated at \$10.9 million to be financed with \$10 million from bonds and \$900,000 from capital facilities tax proceeds.

AGENDA ITEM # 11

On August 15, 2014, the Washoe County Debt Management Commission convened and approved the Resolution concerning a submission to the Washoe County Debt Management Commission of a proposal to issue Washoe County, Nevada General Obligation Building Bonds (additionally secured by pledged revenues) in the maximum principal amount of \$12,000,000; and approving certain details in connection therewith.

BACKGROUND

Washoe County owns and operates the existing Medical Examiners facility located at 10 Kirman Avenue, adjacent to the Renown Medical Center. The two-story building also houses the Washoe County Tuberculosis (TB) Clinic. The existing facility was constructed in 1959, commissioned in 1990, renovated in 1992 and expanded in 2003. As area populations have increased, the number of annual services has also increased. As workloads have increased, maintenance and operational costs have increased as well. The medical facility is utilized for Washoe County and also serves as a regional provider to 15 counties in Nevada and several counties in California.

The current facility has been remodeled and improved to the extent possible. The site barely provides adequate secure parking due to the limited size and the facility cannot be remodeled or expanded. The 2001 Washoe County Facilities Master Plan included initiation of a new facility in 2013 and it is currently included in the FY 2014/19 Capital Improvement Plan approved by the Board earlier this year. Washoe County has developed a project schedule utilizing the CMAR project delivery method

This resolution of intent is proposing the issuance of, and authorizing the publication of notices relating to general obligation (limited tax) building bonds (additionally secured by pledged revenues) series 2015 in the maximum principal amount of \$12,000,000 for the purpose of financing the building projects, including the Medical Examiner's building; providing the manner, form and contents of the notices thereof; providing other matters properly related thereto; and providing the effective date hereof.

FISCAL IMPACT

Upon final approval and issuance of the proposed general obligation bonds, the County will be obligated to pay annual debt service of approximately \$1.0 million for a term not ending later than 30 years, for a total principal and interest of approximately \$18.2 million.

RECOMMENDATION

It is recommended that the Board approve a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to general obligation (limited tax) building bonds (additionally secured by pledged revenues) series 2015 in the maximum principal amount of \$12,000,000 for the purpose of financing the building projects, including the Medical Examiner's building; providing the manner, form and contents of the notices thereof; providing other matters properly related thereto; and providing the effective date hereof.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be to "Move to approve a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to general obligation (limited tax) building bonds (additionally secured by pledged revenues) series 2015 in the maximum principal amount of \$12,000,000 for the purpose of financing the building projects, including the Medical Examiner's building; providing the manner, form and contents of the notices thereof; providing other matters properly related thereto; and providing the effective date hereof."

RESOLUTION NO. _____

**A RESOLUTION OF INTENT, PROPOSING THE
ISSUANCE OF, AND AUTHORIZING THE PUBLICATION
OF NOTICES RELATING TO GENERAL OBLIGATION
(LIMITED TAX) BUILDING BONDS (ADDITIONALLY
SECURED BY PLEDGED REVENUES) SERIES 2015 IN
THE MAXIMUM PRINCIPAL AMOUNT OF \$12,000,000
FOR THE PURPOSE OF FINANCING THE BUILDING
PROJECTS, INCLUDING THE MEDICAL EXAMINER'S
BUILDING; PROVIDING THE MANNER, FORM AND
CONTENTS OF THE NOTICES THEREOF; PROVIDING
OTHER MATTERS PROPERLY RELATED THERETO;
AND PROVIDING THE EFFECTIVE DATE HEREOF.**

WHEREAS, Washoe County in the State of Nevada (the "County" and the "State", respectively) is a county duly organized and created under the provisions of Nevada Revised Statutes ("NRS") 243.340; and

WHEREAS, the Board of County Commissioners of the County (the "Board") has determined and hereby declares that the public interest, health and welfare necessitates acquiring, constructing, improving and equipping of building projects, including, but not limited to facilities, structures, fixtures, furniture and equipment for a building for the Medical Examiner, and all appurtenances and incidentals necessary, useful or desirable for any such facilities as set forth in NRS 244A.019 (the "Project"); and

WHEREAS, pursuant to NRS 244A.011 through 244A.065, inclusive, and pursuant to chapter 350 of NRS and all laws amendatory thereof which includes the Local Government Securities Laws, being NRS 350.500 through 350.720, and all laws amendatory thereof, the County is authorized to borrow money and to issue general obligation bonds of the County for the purpose of defraying wholly or in part the cost of the Project; and

WHEREAS, the Board proposes to issue up to \$12,000,000 of general obligation building bonds of the County (the "Bonds") for the Project; and

WHEREAS, such Bonds will be additionally secured by a pledge of 15% of all income and revenue derived by and distributed to the County pursuant to NRS 360.698 (the "Pledged Revenues"); and

WHEREAS, based on a revenue study previously presented to the Board, the Board has determined that the "Pledged Revenues" will at least equal the amount required in each year for the payment of interest and principal on the Bonds; and

WHEREAS, the Board proposes to incur this general obligation without an election unless a petition signed by the requisite number of registered voters of the County is presented to the Board requiring the Board to submit to the qualified electors of the County for their approval or disapproval the following proposal:

**GENERAL OBLIGATION BUILDING BONDS
ADDITIONALLY SECURED BY PLEDGED REVENUES
PROPOSAL:**

Shall the Board of County Commissioners of Washoe County in the State of Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation (limited tax) building bonds, in one series or more, in the aggregate principal amount of not exceeding \$12,000,000 for the purpose of financing, wholly or in part, the acquisition, construction, improvement and equipment of building projects as defined in NRS 244A.019, the bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and other moneys are available therefor), and to be issued and sold at par, or below or above par, and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

WHEREAS, pursuant to NRS 350.011 to 350.0165, inclusive, the Board has submitted the Proposal to the Debt Management Commission of Washoe County (the "Commission"); and

WHEREAS, the Commission has heretofore approved the Proposal; and

WHEREAS, NRS 350.020(3) in effect provides that if the payment of a general obligation of the County is additionally secured by pledged revenues, and the governing body (i.e., the Board) determines that the pledged revenues will at least equal the amount required in each year for the payment of interest and principal, the County may incur the general obligation without an election, unless a petition requesting an election signed by 5% of the registered voters in the County is presented to the Board within 90 days after the publication of a notice of the adoption of this resolution of intent; and

WHEREAS, NRS 350.020(3) also requires that a public hearing be held before the Bonds are issued.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF WASHOE, NEVADA:

Section 1. This resolution shall be known as and may be cited by the short title "Resolution of Intent to Issue 2015 Building Bonds" (this "Resolution").

Section 2. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and the officers of the Board directed:

(a) Toward the Project to be financed by the Bonds;
and

(b) Toward the issuance of the Bonds to defray, in part, the cost thereof, be, and the same hereby is, ratified, approved and confirmed.

Section 3. The County and the officers of the County be, and they hereby are, authorized and directed to publish a notice of the adoption of the resolution of intent relating to the Board's proposal to issue the Bonds in a newspaper of general circulation in the County, at least once, such notice to be published in substantially the following form:

(Form of Notice of Resolution of Intent)

NOTICE OF THE INTENT OF THE BOARD OF COUNTY COMMISSIONERS OF WASHOE COUNTY, NEVADA, TO ISSUE GENERAL OBLIGATION (LIMITED TAX) BUILDING BONDS OF THE COUNTY ADDITIONALLY SECURED BY PLEDGED REVENUES

NOTICE IS HEREBY GIVEN that the Board of the County Commissioners of Washoe County (the "Board" and the "County"), Nevada, by a resolution, passed, adopted and approved on December 9, 2014, and designated in Section 1 thereof by the short title "Resolution of Intent to Issue 2015 Building Bonds" has proposed the issuance of the County's General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues) (the "Bonds") designated below, as follows:

**GENERAL OBLIGATION BUILDING BONDS
ADDITIONALLY SECURED BY PLEDGED REVENUES
PROPOSAL:**

Shall the Board of County Commissioners of Washoe County in the State of Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation (limited tax) building bonds, in one series or more, in the aggregate principal amount of not exceeding \$12,000,000 for the purpose of financing, wholly or in part, the acquisition, construction, improvement and equipment of building projects as defined in NRS 244A.019, the bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and other moneys are available therefor), and to be issued and sold at par, or below or above par, and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

The above Proposal was approved by the Debt Management Commission of Washoe County, Nevada.

The Board has determined that the Bonds to be issued for the purpose of financing the acquisition, construction, improvement and equipment of building projects, including, but not limited to facilities, structures, fixtures, furniture and equipment for a building for the Medical Examiner, and all appurtenances and incidentals necessary, useful or desirable for any such facilities as set forth in NRS 244A.019 (as further described in the above Proposal) will be additionally secured by a pledge of the "Pledged Revenues," which include the pledge of 15% of all income and revenue derived by and distributed to the County pursuant to NRS 360.698. The Board has, in addition, determined, based upon a revenue study, that the Pledged Revenues will at least equal the amount required in each year for the payment of the interest on and the principal of the Bonds.

Based upon this determination, the Board intends to incur this general obligation as set forth above without an election as provided in NRS 350.020(3), unless within ninety (90) days after the publication of this notice a petition requesting an election is presented to the Board signed by not fewer than five percent (5%) of the registered voters of the County. The number of registered voters is to be determined as of the close of registration for the last preceding general election.

At a meeting or meetings of the Board, the Board shall proceed to adopt an ordinance or ordinances authorizing the issuance of the Bonds which shall be effective not earlier than ninety (90) days after the publication of this notice. Such ordinance or ordinances authorizing the issuance of the Bonds will be effective unless prior to 5:00 p.m. on March 12, 2015, a petition is presented to the Board asking for an election upon the question of whether or not the proposed general obligations shall be incurred. The petition for an election herein referred to may be presented to the Board at any time prior to the expiration of ninety (90) days after the publication of this notice. In the event such petition is presented, no such ordinance or ordinances shall be effective except pursuant to an election called and held for such purpose and carried by a majority of the votes cast. In the event no such petition is presented, the Bonds will be authorized as described above. The ordinance or ordinances authorizing the Bonds will, in addition, contain provisions for additionally securing the payment of the general obligations by pledging the Pledged Revenues designated above and in the Proposal to the payment of the Bonds.

The authority to issue the Bonds if conferred at an election or if conferred by the fact no petition is presented to the Board requesting such an election within ninety (90) days of the date of publication hereof shall be deemed to be a continuing authority and the Board shall be authorized to sell the Bonds at such time or times and upon such terms and conditions as it deems proper in accordance with the provisions of the Proposal and the laws of the State of Nevada.

All persons interested are hereby advised that further information regarding the project to be financed by the Bonds, the Bonds and the Pledged Revenues, and all proceedings in the premises, are on file in the office of the County Clerk, 1001 East Ninth Street, Building A, Reno, Nevada, and can be seen and examined by the interested persons during the regular office hours of the Clerk.

The determination by the Board that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on the Bonds becomes conclusive on the last day for filing the petition, i.e., on March 12, 2015 at 5:00 p.m.

BY ORDER of the Board of County Commissioners of Washoe County, Nevada.

DATED this December 9, 2014.

PUBLICATION DATE: December 12, 2014

/s/ Nancy Parent
County Clerk

(End of Form of Notice)

Section 4 The County Clerk is authorized and directed to publish once, at least 10 days before the date of the public hearing described in the following notice, in a newspaper of general circulation in the County a notice of public hearing, at least as large as 5 inches high by 4 inches wide, in substantially the following form:

(Form of Notice of Public Hearing)

**NOTICE OF PUBLIC HEARING ON THE INTENT OF THE
BOARD OF COUNTY COMMISSIONERS OF WASHOE
COUNTY, NEVADA, TO ISSUE GENERAL OBLIGATION
(LIMITED TAX) BUILDING BONDS (ADDITIONALLY
SECURED BY PLEDGED REVENUES).**

NOTICE IS HEREBY GIVEN that the Board of County Commissioners (the "Board") of Washoe County (the "County"), Nevada, by a resolution, passed, adopted, signed and approved on December 9, 2014, and designated in Section 1 thereof by the short title "Resolution of Intent to Issue 2015 Building Bonds" has proposed the issuance of the County's General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues) (the "Bonds") designated below, as follows:

**GENERAL OBLIGATION BUILDING BONDS
ADDITIONALLY SECURED BY PLEDGED REVENUES
PROPOSAL:**

Shall the Board of County Commissioners of Washoe County in the State of Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation (limited tax) building bonds, in one series or more, in the aggregate principal amount of not exceeding \$12,000,000 for the purpose of financing, wholly or in part, the acquisition, construction, improvement and equipment of building projects as defined in NRS 244A.019, the bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and other moneys are available therefor), and to be issued and sold at par, or below or above par, and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

The above Proposal was previously approved by the Debt Management Commission of Washoe County, Nevada.

The County has determined that the Bonds to be issued for the purpose of financing the acquisition, construction, improvement and equipment of building projects, including, but not limited to facilities, structures, fixtures, furniture and equipment for a building for the Medical Examiner, and all appurtenances and incidentals necessary, useful or desirable for any such facilities as set forth in NRS 244A.019 (as further described in the above Proposal) will be additionally secured by a pledge of the "Pledged Revenues," which include the pledge of 15% of all income and revenue derived by and distributed to the County pursuant to NRS 360.698. The Board has, in addition, determined, based upon a revenue study, that the Pledged Revenues will at least equal the amount required in each year for the payment of the interest on and the principal of the Bonds.

All persons interested are hereby advised that the Board will hold a public hearing on the Proposal on January 13, 2015, at 6:00 p.m., at the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. All persons are invited to attend and to be heard regarding the Proposal. Further information regarding the Proposal, the Project to be financed by the Bonds, the Bonds and the Pledged Revenues, and all proceedings, are on file in the Office of the County Clerk, 1001 East Ninth Street, Building A, Reno, Nevada, and can be seen and examined by the interested persons during the regular office hours of the County.

BY ORDER of the Board of County Commissioners, Washoe County, Nevada.

DATED this December 9, 2014.

PUBLICATION DATE: December 12, 2014.

/s/ Nancy Parent
County Clerk, Washoe County, Nevada

(End of Form of Notice of Public Hearing)

Section 5. A public hearing on the Bonds is hereby ordered to be held before the Board at the time, date and place specified in the notice set forth in Section 4 hereof, or as otherwise specified by the Comptroller of the County.

Section 6. The Bonds, in the event no petition is filed during the period allowed by NRS 350.020(3), shall be authorized by an ordinance or ordinances to be effective after the expiration of the above specified period of publication.

Section 7. The authority to issue the Bonds designated in the Proposal set forth in the notice shall be deemed and considered a continuing authority to issue and deliver the Bonds designated in such Proposal at one time or from time to time, in one series or in more than one series, all as ordered by the Board. Neither the partial exercise of the authority so conferred nor the lapse of time shall be considered as exhausting or limiting the full authority so conferred.

Section 8. The officers of the Board be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 9. All resolutions, or parts thereof, in conflict with the provisions of this resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be constructed to revive any resolution, or part thereof, heretofore repealed.

Section 10. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

Section 11. This resolution shall become effective and be in force immediately upon its adoption.

PASSED AND APPROVED this December 9, 2014.

(SEAL)

Attest:

Chairman
Board of County Commissioners

County Clerk

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I am the duly chosen, qualified and acting Clerk of Washoe County (the "County"), Nevada (the "County"), do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of a resolution of the Board of County Commissioners (the "Board") adopted at a regular meeting of the Board held on December 9, 2014, and the original of such resolution has been approved and authenticated by the signature of the Chairman of the Board and myself as Clerk, and has been recorded in the minute book of the Board kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

2. The members of the Board voted on the resolution as follows:

Those Voting Aye:

Marsha Berkbigler
David Humke
Kitty Jung
Vaughn Hartung
Bonnie Weber

Those Voting Nay:

Those Absent:

3. All members of the Board were given due and proper notice of such meeting.

4. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting and excerpts from the agenda for the meeting relating to the Resolution, as posted no later than 9:00 a.m. on the third working day prior to the meeting, on the County's website, on the official website of the State of Nevada pursuant to NRS 232.2175, and at the following locations:

- (i) Washoe County Administration Complex
1001 East Ninth Street, Building A
Reno, Nevada

- ii) Washoe County Courthouse
Second Judicial District Court
75 Court Street
Reno, Nevada
- (iii) Washoe County Central Library
301 South Center Street
Reno, Nevada
- (iv) Sparks Justice Court
1675 East Prater Way
Sparks, Nevada

is attached as Exhibit A.

5. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was mailed to each person, if any, who has requested notices of meetings of the Board in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

6. A copy of the Affidavit of Publication of the Notice of Intent is attached as Exhibit B. A copy of the Affidavit of Publication of the Notice of Public Hearing is attached as Exhibit C.

IN WITNESS WHEREOF, I have hereunto set my hand this December 9, 2014.

County Clerk

EXHIBIT A

(Attach Copy of Notice of Meeting)

EXHIBIT B

(Attach Affidavit of Publication of Notice of Resolution of Intent)

EXHIBIT C

(Attach Affidavit of Publication of Notice of Hearing)